



Date: February 22, 1999

Mass Mailer #99-02

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On January 27, 1999, the State Allocation Board (SAB) apportioned approximately \$2.2 million for the Northridge Earthquake Program; Lease-Purchase Program (LPP) bid approvals and ongoing projects from prior bond funds. The SAB also made apportionments from Proposition 1A funds in the amount of \$60 million for "grandfathered" new construction and modernization projects and for ongoing LPP projects. The SAB addressed other issues as follows:

#### Consent Calendar

The cost index under the LPP for Class D Construction increased from 1.30 to 1.31 and the Historical Savings Index increased from 6.19 to 6.54, effective January 1, 1999. The indices under the LPP for Class B Construction and Furniture and Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 53 new construction and modernization projects. In addition, seven modernization projects received eligibility approvals pursuant to the provisions of the School Facility Program (SFP). Districts that received a Phase C, (construction) apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits, contact Mr. Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or at (916) 445-0529.

#### Status of Funds

There is approximately \$134 million in Proposition 203 funds remaining in the LPP to address ongoing project costs, bid approvals, and for the Northridge Earthquake Program. Disposition of any excess Proposition 203 funds will be addressed by the SAB at a later date. The balance available in the SFP is \$2.8 billion.

### **OTHER ISSUES**

#### Disabled Veteran Business Enterprise (DVBE)

The SAB has a DVBE Policy that applies to contracts awarded under the provisions of the LPP and the State Relocatable Classroom Program. It has not been eliminated and remains a requirement of these programs, regardless of funding source. For more information regarding the DVBE Policy, visit our web-site at <http://www.dgs.ca.gov/opsc/dvbe.htm> or contact Ms. Audrey Edwards at [aedward@dgs.ca.gov](mailto:aedward@dgs.ca.gov) or at (916) 327-9249.

### Deferred Maintenance

The Deferred Maintenance Program (DMP) operates on a fiscal year cycle (July 1-June 30). All districts that have a SAB approved Deferred Maintenance Five-Year Plan, which includes the current fiscal year, will receive a basic apportionment for DMP funds at the August 1999, SAB meeting. In order to receive the allocated DMP funds, districts must match the State apportionment by September 30, 1999. The matching funds must be deposited into the districts' Deferred Maintenance Fund. The district's County Office of Education must certify to the Office of Public School Construction that funds have been deposited. This certification can be made on the *Certification of Deposit* (Form SAB 40-7).

The Five-Year Plan may be submitted or revised for the current year on the *Deferred Maintenance Five-Year Plan* (Form SAB 40-1). Any revisions to an approved Five-Year Plan for the current fiscal year must be made by June 30, 1999. For more information regarding the DMP, please see the OPSC web site or contact Mr. Keith Collier at kcollier@dgs.ca.gov or at (916) 323-3443.

### Modernization Plans

Plans and specifications (P&S) for SFP modernization projects are not required to be submitted on CD-ROM or Iomega Zip Disk. However, in order to facilitate the review process, we recommend districts submit the P&S in this manner whenever possible.

In our advisory mailer dated December 4, 1998, the OPSC noted that the district must submit the P&S for modernization projects with the *Application for Funding* (Form SAB 50-04). At that time, the district must certify that the work in the P&S is commensurate with the SFP grant and the district's matching funds are available for the project. The architect of record for the project must submit a cost estimate of the proposed work. Modernization *Application for Funding* requests submitted after February 25, 1999, which do not include the P&S and cost estimate will be returned to the district without processing.

For purposes of defining the term "commensurate", OPSC shall verify that the cost estimate for work in the plans and specifications is equal to at least 60% of the total combined State grant and local match amount.

### Additional Grants for Site Development Costs

The OPSC has developed a standardized cost estimate worksheet on a Microsoft Windows Excel to assure consistency and timely processing of the funding application. The worksheet identifies the individual components of site development costs for the new construction grant as outlined in Regulation Section 1859.76. The worksheet is available from the OPSC web site. This will provide districts and architects with more complete information regarding allowable site development costs for planning purposes.

### Site Drawings

In order to determine the gross classroom inventory and the adjustment to that inventory for all SFP new construction projects, districts are required to identify all available classroom space either in the district or the appropriate high school attendance area. The OPSC requested that districts maintain adequate records at the district level, which would allow the OPSC to verify the classroom inventory.

The OPSC has conducted numerous property check reviews and has discovered that, in many cases, the districts had little or no documentation to support the classroom count reported on the application documents. To avoid the lost time resulting from unproductive or prolonged site visits, the OPSC must require that all districts submit with the *Existing School Building Capacity* (Form SAB 50-02) diagrams of the school sites which identify all classrooms in the inventory. Applications for new construction eligibility that do not include these diagrams cannot be processed and will be returned to the district for the needed information.

During the property check of the district's facilities, the district will be required to provide all necessary documentation to support any exclusion of classrooms from the gross classroom inventory. To assist the district in the preparation of this inventory and the identification of exclusions, the OPSC has developed a worksheet that is available on the OPSC web site.

#### 60-Day Processing Time

At the time of initial receipt of the new application, the OPSC conducts a "mini review" to assure that all necessary documents are included in the application package. If the package is incomplete, it will be returned with an explanation of what additional information is needed. If the application package is complete the district will be notified of that fact and the application will be processed in the order received. It is OPSC's intent to process applications to the SAB within 30 to 60 days. If during the processing, the OPSC discovers that additional information is necessary, the 60-day timeline will be suspended until the district provides further information.

The Fiscal Unit of the OPSC will contact districts that are filing a funding application that includes a request for "financial hardship" assistance from the SAB. The notification will outline the specific information required to evaluate the districts' financial situation. The 60-day processing timeline will be started when the appropriate financial hardship documentation is received from the district.

It is OPSC's goal to process all applications to the SAB within 60 days. However, there may be circumstances beyond the control of OPSC such as available board dates, missing or incomplete information, and on going financial audits that may affect the ability to meet the goal in every case. Within these constraints, OPSC is very committed to making every effort to meet this timeline.

#### Personnel Appointments

Please join us in congratulating Ms. Kathie Bovard as the new Supervisor of the Northern Region. The OPSC has reorganized some of its staff as a result of the SFP. For specific information on the OPSC reorganization, please refer to the OPSC web site.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:JS:ed